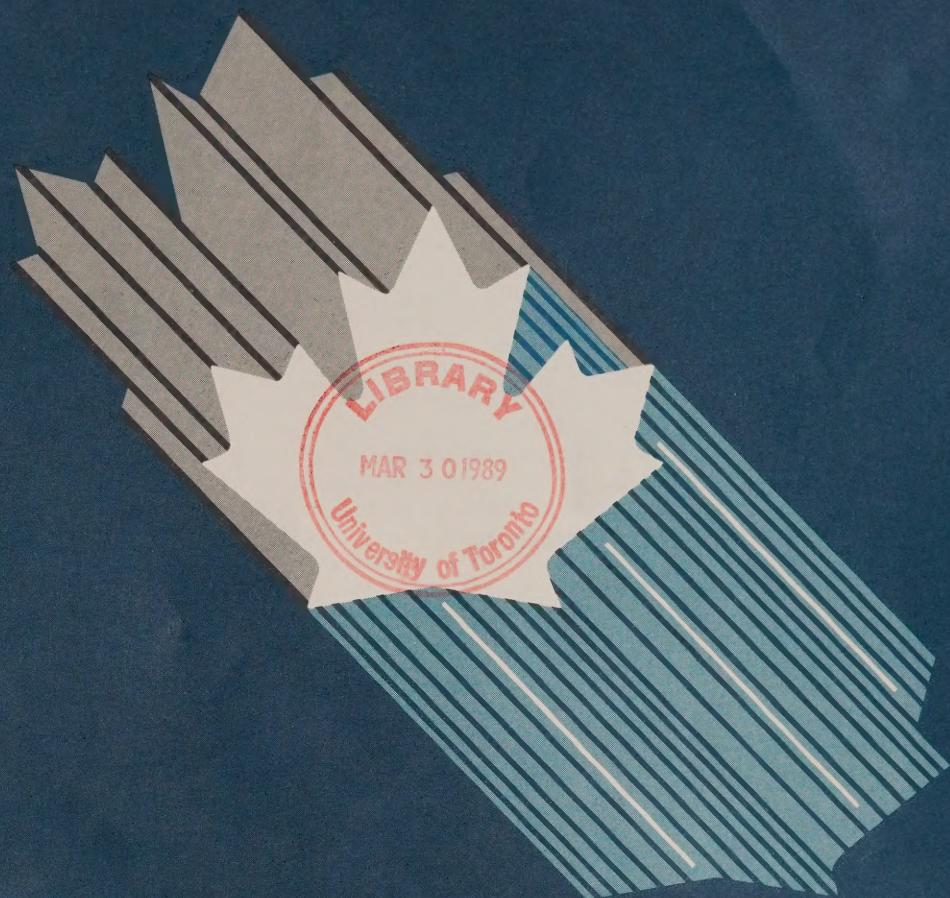


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Industry, Science and  
Technology Canada

Industrie, Sciences et  
Technologie Canada

Footwear

Canada

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1988

## FOREWORD

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In a rapidly changing global trade environment, the international competitiveness of Canadian industry is the key to survival and growth. This Industry Profile is one of a series of papers which assess, in a summary form, the current competitiveness of Canada's industrial sectors, taking into account technological and other key factors, and changes anticipated under the Canada-U.S. Free Trade Agreement. Industry participants were consulted in the preparation of the papers.

The series is being published as steps are being taken to create the new Department of Industry, Science and Technology from the consolidation of the Department of Regional Industrial Expansion and the Ministry of State for Science and Technology. It is my intention that the series will be updated on a regular basis and continue to be a product of the new department. I sincerely hope that these profiles will be informative to those interested in Canadian industrial development and serve as a basis for discussion of industrial trends, prospects and strategic directions.



Minister

Canada

## 1. Structure and Performance

## Structure

The Canadian footwear industry produces all types of footwear available on the world market, but concentrates on leather-uppers boots and shoes for men, women and children in the medium to high-priced range.

In 1986, the industry's 165 establishments and approximately 14 300 employees generated shipments estimated at \$830 million in value and exports of \$53 million, mainly to the United States. Imports totalled \$653 million, of which 42 percent were from Asia and 39 percent from the European Community (E.C.).

Ontario employed approximately 8300 persons and accounted for 48 percent of the establishments in the industry, while Quebec employed 5600 and accounted for 39 percent of the establishments. A further 400 workers were employed primarily in Newfoundland, New Brunswick, Manitoba and British Columbia. The principal footwear producing centres are close to major markets and include Québec City, Montréal, Toronto and the Kitchener-Cambridge area of Ontario.

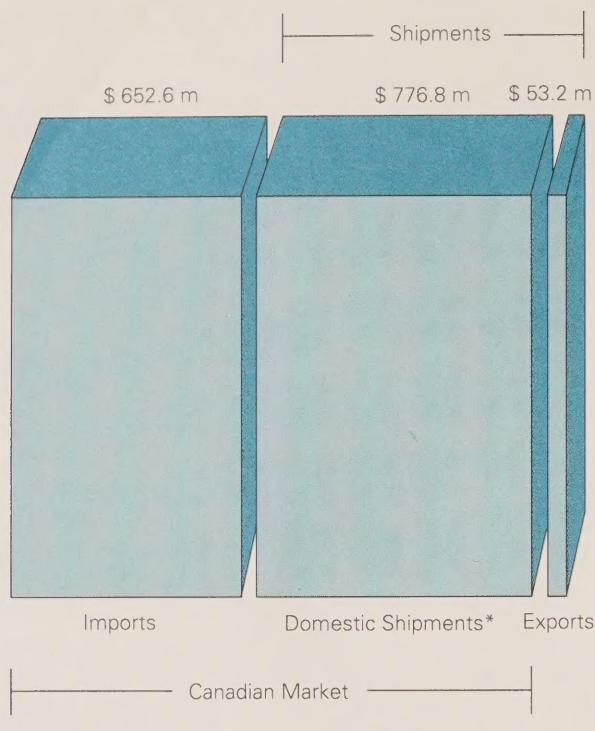
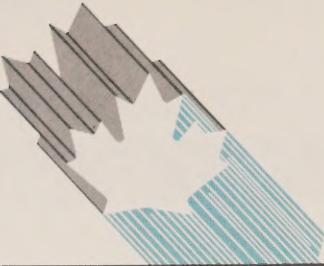
The main footwear manufacturing operations involve the cutting out of components for shoe uppers and linings; assembling or stitching these components to form the shoe upper; lasting, which involves the drawing of the completed upper over a "foot-like form" and attaching the insoles; attaching the outer sole to the upper, stitching or moulding; and, finally, preparing the shoe for sale and distribution.

Statistics Canada data for 1985\* show that the 20 largest establishments (with 200 or more employees) accounted for 48 percent of industry employment, a concentration that was increasing gradually through further acquisitions in 1986 and 1987. Thirty-three medium-sized firms (100 to 199 employees) accounted for 28 percent of employment, while the remaining 116 firms (less than 100 employees) accounted for 24 percent. Plants with 150 or more employees are generally considered to be at the threshold of efficiency and are comparable in size to their counterparts in other countries. There are a few very large establishments, particularly in the Far East, which realize additional economies by specializing in one or two non-leather product lines for the world market.

Four footwear manufacturing firms in Canada, including Florsheim Inc., are foreign owned (three percent). They are generally larger than the average of 95 to 100 employees per establishment, and account for approximately 10 percent of industry employment. Three of these firms, as well as a few Canadian firms producing a range of footwear, including Bata Industries Limited, own a number of retail stores in Canada which provide them with brand recognition and feedback on consumer preferences. This type of vertical integration has also taken place in the United States and other developed countries.

\* The footwear industry annual census (Standard Industrial Classification — SIC 1712) published by Statistics Canada.

Industry, Science and  
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*Imports, Exports and Domestic Shipments  
1986*

\* Estimate

Footwear firms are the major customers of the domestic tanning industry (60 percent of tanning industry output in terms of value) and the shoe findings industry (laces, heels, etc.). They are also important users of coated and other fabrics purchased from the textile industry. The tanning industry employs approximately 2200 persons, while the shoe findings industry employs an estimated 1000.

The footwear industry is domestically oriented. Its customers are small shoe retailers, department and chain stores and shoe specialty stores. Smaller shoe retailers generally carry a higher proportion of domestic shoes in their inventory than do the larger distributors. Most Canadian firms are not actively involved or well known in international markets. Bata Industries Limited, however, is the largest footwear company in the world. It is a Canadian-owned multinational with an estimated total of 79 000 employees (800 footwear workers in Canada), operating in 91 countries with 97 plants and 6000 retail stores.

Smaller Canadian firms active outside Canada include Natural Footwear Limited (Roots) with retail stores worldwide. Kaufman Footwear, Susan Shoe Industries Limited, Bastien Inc. and Genfoot Inc. also have strong market identification in the United States. With the modest cost of basic technology and the availability of the more expensive machinery on a rental basis, barriers to entry into and exit from the industry are almost non-existent. Historically, the industry has operated at about 65 percent to 75 percent of capacity.

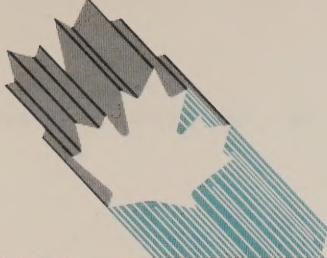
Canadian footwear production is concentrated on leather dress and casual footwear. It competes mainly with footwear imports from Italy, Spain, the United States and Brazil. Collectively, these countries exported 10.3 million pairs of shoes to Canada in 1987, accounting for 67 percent of the imports.

#### Performance

Between 1974 and 1977, after-tax profits, averaging 6.1 percent on capital employed in the industry, were lower than the all-manufacturing average of 8.3 percent. After the imposition of footwear quotas in 1977, the situation was reversed, with industry profits averaging 11.1 percent as compared to the manufacturing average of 7.3 percent. In 1984, industry profits again fell below the all-manufacturing average. The lower profits in 1984 could be attributable, in part, to higher input costs, particularly those for leather.

Since the late 1960s, the domestic industry has faced growing import competition, particularly from low-cost countries. In 1977, imports totalled 46.4 million pairs. This represents 55.5 percent of the apparent Canadian market, and an increase of 6.5 million pairs, or 16 percent, over 1973. In 1977, the government introduced a three-year global quota on non-rubber footwear, after a finding of injury by the Anti-Dumping Tribunal. The major factor quoted by the tribunal to explain increased foreign penetration was the competitive advantage of imports made possible by lower labour costs. Following their introduction in 1977, footwear import quotas remained in effect, in one form or another, until November 1985. With the exception of women's and girls' footwear, all quotas were discontinued following a recommendation of the Tribunal in June 1985. The remaining quotas expired in November 1988.

The protective environment, created by the 1977 quotas, allowed the industry to maintain the restructuring efforts it had begun in 1974. It gradually upgraded its product lines by reducing production of non-leather footwear, such as sandals and jogging-type shoes, which compete directly with low-cost imports. Instead, it has concentrated on the manufacture of more fashionable and higher-quality leather footwear in the dress and casual categories. In the process, the labour cost, as a percentage of the total value of the product, has been reduced in spite of the additional labour required per pair, due to the increased value of the final product.



The result of this restructuring was relatively stable employment, averaging 15 588 between 1978 to 1985, with a low of 14 400 during the 1982 recession year. In 1985, employment was estimated at 15 800. However, after the partial removal of quotas in November 1985, imports of pairs of shoes increased by 34 percent in 1986 and employment in the industry dropped. Most of the new imports were from low-cost countries which increased their 1986 exports to Canada by 42 percent, in volume, over 1985. The rate of increase moderated to 17 percent in 1987, mainly as a result of consultations with the major exporting countries in this group. These consultations were designed to seek an orderly transition to the post-quota environment by encouraging exporting countries to exercise restraint in their export plans.

However, Taiwan, the People's Republic of China and the Republic of Korea all have increased their leather footwear exports substantially, particularly in the athletic category, ever since quotas were removed on footwear imports (except for women's and girls') on November 30, 1985. The export thrust of Taiwan and the Republic of Korea is also evident in the U.S. market.

Yet another trend in the industry has been the decline in the share of leather footwear in Canada's total footwear market (and, indeed, around the world). Leather footwear now accounts for less than one-half of all footwear sold worldwide. This market shift to non-leather footwear has weakened the competitiveness of footwear firms in all developed countries, including Canada, as the use of less expensive materials has effectively increased the proportional cost of labour.

For many years, Canada has exported from six to seven percent of its footwear production (in pairage terms), with the largest share going to the U.S. market. Canadian exports to the United States, however, have shown only marginal gains in recent years, at least partly because of changes in the exchange rate, particularly since 1984. For the same reason, Canada's exports to Europe have declined as the exchange rate became less advantageous. Exchange rate trends strongly influence the long-term marketing strategies of the industry.

The Canadian industry has traditionally maintained a trade surplus with the United States (an estimated \$6 million in 1986). The surplus is due to such factors as exchange rates, global quotas on imports of footwear since 1977, and Canada's reputation as a producer of quality and fashionable, specialized footwear (e.g., winter boots). A complete reversal of this situation occurred in 1987 however, with the industry experiencing a trade deficit with the United States in excess of \$8 million, largely attributable to a substantial increase in imported athletic footwear from the United States. Canadian manufacturers do not produce significant quantities of athletic footwear.

## 2. Strengths and Weaknesses

### Structural Factors

The Canadian footwear industry is made up mainly of a number of small firms, most of which are located in two provinces, serving a large, geographically dispersed domestic market. By catering to small niches and relying on low overheads, quick response times and domestic marketing expertise, they have managed to retain a segment of the Canadian market. However, their small size, lack of financial and management resources, limited design capability and export marketing expertise all inhibit the growth required to achieve the necessary economies of scale to compete more effectively against low-cost countries.

Canadian footwear manufacturing is, however, generally competitive with developed countries with similar wage structures. Unit labour and material costs, from 1978 to 1984, were slightly higher in Canada than in the United States. In 1985 and 1986, however, Canadian costs were somewhat lower. If this cost advantage can be maintained, Canadian exports to the United States are expected to improve as U.S. industries do not have any special advantages of scale or technology. However, both countries are under import pressures from low-cost countries.

In recent years, the newly industrialized countries (NICs) have begun to produce leather footwear which competes more directly with the bulk of Canadian production. This development is mainly due to escalating wage rates in the NICs which make non-leather footwear less profitable to export than leather footwear.

In 1986, Taiwan increased its leather footwear exports to Canada by more than one million pairs, or 118 percent, and an additional 1.2 million, or 61 percent, in 1987. Hong Kong also increased its leather exports substantially during this period. These increased exports competed directly with Canadian production.

With restructuring and specialization, assisted in many cases by government productivity programs, the domestic industry has improved its competitive position. In general, it is now competitive with imports from the United States and Europe at the high-priced end of the market. It has all but abandoned the largely non-leather, athletic-leisure market to imports from the Far East. In 1987, low-cost sources supplied 81 percent of all footwear imports into Canada, measured in pairs, the bulk of which was non-leather. Taiwan and the Republic of Korea together accounted for more than 53 percent.



In its 1985 comprehensive report on the situation in the domestic footwear industry, the Canadian Import Tribunal concluded that the process of adjustment in the early 1980s had strengthened the industry and enabled it to compete successfully against imports in the coming years. In November 1985, therefore, all quotas on footwear imports were removed, except for those on women's and girls' shoes, the production of which the tribunal found remained vulnerable to injury from imports. Women's and girls' footwear account for 36 percent of the Canadian footwear market and 43 percent of Canadian production, measured in pairs. The remaining quotas expired in November 1988. Removal of quotas from 1985 to 1987 resulted in a 48-percent increase in imports, mainly from Taiwan, the Republic of Korea and the People's Republic of China, accompanied by a 13-percent decrease in Canadian production, measured in pairs. Under this new trading environment, the industry has been involved in mergers and buy-outs designed to strengthen its competitive position.

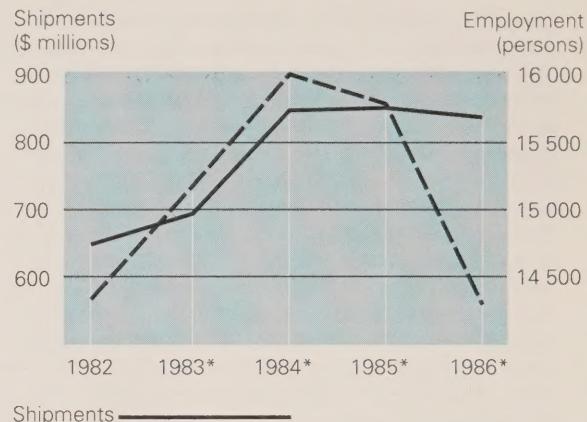
Management expertise in the footwear industry has improved in all areas since 1974, particularly in production and financial control. Although many firms have made major improvements in marketing, it remains a capability (along with faster introduction of high technology) on which the industry as a whole needs to focus in order to take advantage of domestic and international opportunities.

#### Trade-related Factors

Canadian tariffs on imports of non-rubber footwear qualifying for Most Favoured Nation (MFN) status vary between 20 and 23 percent, while tariffs on imports of comparable non-rubber footwear qualifying for General Preferential Tariff (GPT) status are currently in the 13 to 14 percent range. The latter accounts for approximately 25 percent of all imports, by value, entering Canada.

The European Community (E.C.) rates are from seven to eight percent, while U.S. rates vary between eight and 10 percent.

Almost 48 percent of the industry's input costs are leather, about one-quarter of which is imported. The United States accounts for about one-fifth of these imports, which are dutiable at rates of 12.5 percent. Plastic-coated fabrics account for another seven percent of input costs and are subject to duty rates of some 25 percent for vinyl or 7.5 percent for polyurethane. Most other input materials, on which tariff rates range from 10 to 15 percent, are obtained domestically. Canada has no non-tariff barriers (NTBs) on imports of material inputs. Unlike apparel and textiles, footwear is subject to the normal rules of GATT, which require that any quota be applied to imports from all sources and not just to those from low-cost countries.



*Total Shipments and Employment*

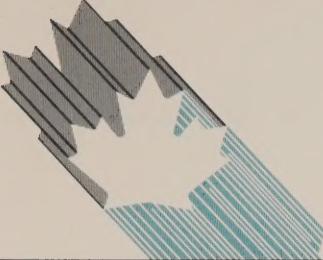
\* Estimate

Australia, New Zealand and Japan maintain footwear import restrictions in one form or another. In the case of the E.C., formal quantitative restrictions have been limited to imports from eastern European countries and the People's Republic of China, while industry-to-industry arrangements are in place between the United Kingdom, the Republic of Korea and Taiwan, as well as between France and Taiwan. Many E.C. countries also effectively restrict imports of safety footwear by enforcing rigid safety standards. The U.S. footwear industry is currently afforded no special border protection measures other than a "Buy America" advertising campaign, despite an import market share which has reached more than 80 percent.

Under the Canada-U.S. Free Trade Agreement (FTA), footwear tariffs will be phased out over 10 years, while those on all leathers used in the footwear industry will be phased out over five years.

#### Technological Factors

Technology in the traditional footwear industry has remained essentially unchanged for a number of years, except for ongoing improvements in machinery to reduce labour and overhead costs. However, the industry is moving ahead in the introduction of computerized management information and control systems, which are having a positive effect on deliveries and quality. The main technological breakthroughs over the past few decades have been injection moulding of the soles to the uppers (used mainly in sports footwear, which is not produced in Canada to any great extent, and in work boots), and the slush-moulding process to produce cheaper winter footwear and rainboots. Canada has kept up-to-date with these developments, as have most other international footwear companies, since footwear equipment is sold by specialized machinery manufacturers on the world market.



As can be seen by the fact that production of footwear continues to be highly labour intensive, the evolution of technology has been slow. Unlike primary textiles, there have been no technological breakthroughs which could offset the labour cost advantage of third-world suppliers to any great extent. The production process, involving numerous, relatively complex operations, and the nature of the raw material, which is less uniform and more difficult to work with than textile material, are the major factors impeding the progress of automation in this industry. However, over the next decade, the application of computers and computerized machinery (including the latest computer-aided design/computer-aided manufacturing (CAD/CAM) systems) is expected to reduce the total costs substantially, not only in Canada, but around the world.

The effect of these new technologies will be to reduce the competitive advantage of low-cost countries as compared with developed countries such as Canada. However, the cost of introducing the new technologies is prohibitive for small firms in a fragmented Canadian industry operating in a relatively small market. As a consequence, the Footwear and Leather Institute of Canada (FLICCC), assisted by government, has established two technology centres — one in Quebec and one in Ontario — to provide common services, particularly computer-aided design (CAD), and training of product design personnel, so that smaller companies can benefit from these new technologies.

### 3. Evolving Environment

The Canadian footwear industry has restructured its operations over the past decade, taking advantage of import restrictions, in place since 1977, to modernize and rationalize its operations and improve its management skills. With the complete removal of footwear quotas in November 1988, the strengthened industry will be facing stronger competition from low-cost imports, including leather footwear in which it is strongest.

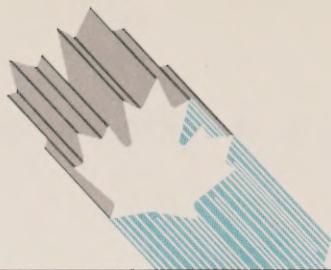
Import levels are expected to stabilize by 1990. Ongoing consultations with low-cost countries, high tariffs and continued government support for projects such as the footwear technology centres now being introduced, should contribute to a more orderly market in the future.

Over the next five to 10 years, the following factors are expected to affect the industry if exchange rates remain relatively stable:

- The FTA will bring the Canadian industry face to face with stronger U.S. competition in a domestic market already dominated by imports. Imports from the United States should increase in dress and casual footwear, one of the Canadian industry's strengths, in part because of the increased variety of styles that will be offered. To offset this increase, the industry will expand exports to the United States to provide greater variety and quality to U.S. consumers.
- The FTA will provide the opportunity for Canadian footwear manufacturers to reduce some input costs immediately (e.g., fine leathers). In addition, it will accelerate the specialization of their production, with the opportunity to achieve economies of scale in a much larger market, and allow them to increase exports of recognized Canadian quality footwear such as fashionable shoes, winter boots and work footwear. The overall effect of the FTA should be the continuation and possibly acceleration of the rationalization already occurring in the industry.
- The current round of Multilateral Trade Negotiations (MTNs) will also affect the performance and structure of the industry. In particular, the outcome of those negotiations on tariffs, safeguard measures and rules of origin will have a direct bearing on the industry's future.

### 4. Competitiveness Assessment

The Canadian footwear industry is generally considered to have up-to-date production facilities equal to those of its U.S. counterpart. It has undergone major changes in the past 10 years, specializing its product lines, raising the level of expertise of its management, and improving its production, performance, financial control and domestic marketing. While it is only a residual supplier in many product areas, notably the low-end part of the market, the industry is generally competitive in relation to the developed countries. It exports successfully to the United States in certain quality niches.



The net impact of the FTA is expected to be moderately positive for the Canadian industry.

Except for certain products, such as injection-moulded plastic footwear, which requires relatively little labour input, existing tariff levels cannot, by themselves, fully offset the wage advantage of low-cost countries. Non-leather imports from low-cost countries and imports of leather dress and casual footwear from Brazil, East European countries, and now from newly industrialized countries will continue to exert pressure on domestic manufacturers to continue to specialize, upgrade product lines and expand their market in narrower niches.

For further information concerning the subject matter contained in this profile, contact:

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## PRINCIPAL STATISTICS

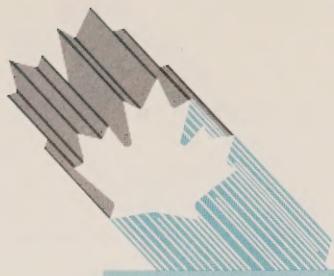
SIC(s) COVERED: 1712 (1980)\*

	1973	1982	1983	1984	1985	1986
Establishments	164	162	172	172	166 <sup>e</sup>	165 <sup>e</sup>
Employment	16 826	14 355	15 200 <sup>e</sup>	16 000 <sup>e</sup>	15 800 <sup>e</sup>	14 300 <sup>e</sup>
Shipments:						
Value (\$ millions)	286.3	651	698.3	843	850.4	830 <sup>e</sup>
Volume (million pairs)	46.1	34.1	36.2	41.9	41.2	40.0
Gross domestic product (constant 1981 \$ millions)	275.9	313.4	335.4	374.6	366.7	373.1
Investment (\$ millions)	N/A	7.1	21.2	18.6	18.9	17.9
Profits after tax:						
(\$ millions)	N/A	26.7	20.3	16.3	20.6	N/A
(% of income)	N/A	3.7	3.1	1.9	2.3	N/A

## TRADE STATISTICS

	1973	1982	1983	1984	1985	1986
Exports (\$ millions)	18.4	49.3	46.8	52.1	56.1	53.2
Domestic shipments (\$ millions)	267.9	601.7	651.5	790.9	794.3	776.8
Imports (\$ millions)	94.5	373.0	403.5	460.2	483.3	652.6
Canadian market (\$ millions)	362.4	974.7	1 055.0	1 251.1	1 277.6	1 429.4
Exports as % of shipments (by value)	6.4	7.6	6.7	6.2	6.6	6.4
Imports as % of domestic market (by value)	26.1	38.3	38.2	36.8	37.8	45.7
Canadian share of international market — %	N/A	1.2	N/A	N/A	N/A	N/A
Source of imports (% of total value)		U.S.	E.C.	Asia**	Others	
1982	7	31	36	26		
1983	6	30	42	22		
1984	6	37	42	15		
1985	7	41	39	13		
1986	7	39	42	12		
Destination of exports (% of total value)		U.S.	E.C.	Asia	Others	
1982	83	11	—	6		
1983	86	10	—	4		
1984	92	5	—	3		
1985	94	3	—	3		
1986	94	3	—	3		

(continued)



## REGIONAL DISTRIBUTION — Average over the last 3 years

	Atlantic	Quebec	Ontario	Prairies	B.C.
Establishments – % of total	2	43	48	6	1
Employment – % of total	2	39	58	1	—
Shipments – % of total	2	36	61	1	—

## MAJOR FIRMS

Name	Ownership	Location of Major Plants
Taurus Footwear Inc.	Canadian	Various locations, Ontario and Quebec
Bata Industries Limited	Canadian	Batawa, Ontario
Susan Shoe Industries Limited	Canadian	Hamilton, Ontario
H.H. Brown Shoe Co. (Canada) Ltd.	American	Richmond, Quebec
Bastien Inc.	Canadian	St-Émile, Quebec

e Estimate

\* Excluding rubber footwear

\*\* Taiwan, the Republic of Korea, Hong Kong, the People's Republic of China, India

N/A Not available

Note: Statistics Canada data have been used in preparing this profile.

Les données utilisées dans ce profil proviennent de Statistique Canada.

2 Taiwan, Corée du Sud, Hong-Kong, République populaire chinoise, Inde.

1 A l'exclusion des chaussures en caoutchouc.

\*\*\* Les montants indiqués sont exprimés en millions de dollars constants de 1981.

\*\* Les quantités indiquées sont exprimées en millions de paires.

\* Les montants indiqués sont exprimés en millions de dollars.

Les données utilisées dans ce profil proviennent de Statistique Canada.

é Estimations.

Nom	Propriété	Emplacement	canadienne	canadienne	Basilem Inc.	Saint-Émile (Québec)
Chaussures H.H. Brown (Canada) Ltd.	américaine	Richmond (Québec)				
Susan Shoe Industries Limited	canadienne	Hamilton (Ontario)				
Bata Industries Limited	canadienne	Batawa (Ontario)				
Chaussures Taurus Inc.	canadienne	Diverses localités de l'Ontario et du Québec				

## PRINCIPALES SOCIÉTÉS

Établissements (en %)	2	36	61	1	—	Expéditions (en %)
Emplois (en %)	2	39	58	1	—	
Établissements (en %)	2	43	48	6	1	

Atlantique Québec Ontario Prairies C.-B.

## REMARQUES REGIONALES — Moyennes des 3 dernières années





## 3. Evolution de l'environnement

#### 4. Evaluation de la compétitivité

## Facteurs technologiques

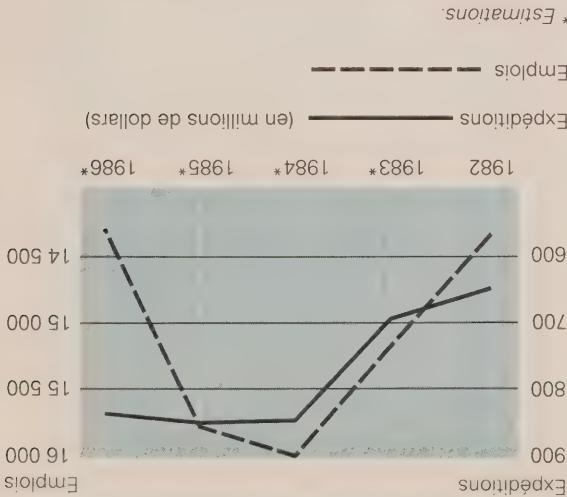
**Facteurs liés au commerce**

Au Canada, les tarifs douaniers sur les importations de chaussures, en matières autres que le caoutchouc, admisibles au tarif de la nation la plus favorable varient de 20 à 23 p. 100, alors que de même trappeant les importations de chaussures généralement de 13 à 14 p. 100. Ces dernières sont importations complément pour environ 25 p. 100 dans la CEE, les tarifs varient de 7 à 8 p. 100, tandis qu'aux Etats-Unis, ils oscillent entre 8 et 10 p. 100.

Dans cette industrie, le coût environnemental des importations de ce produit provient des Etats-Unis et sont soumises à des droits de 12,5 p. 100. Les tissus enduits de plastique, qui constituent 7 p. 100 du du vinyle frappés de tarifs d'environ 25 p. 100 pour le vinyl et de 7,5 p. 100 pour le polyuréthane. Les autres matières premières sont celles qui sont importées par le Canada, à des droits de 15 p. 100. Les tissus enduits de plastique, qui constituent 7 p. 100 du du vinyle frappés de tarifs d'environ 25 p. 100 pour le vinyl et de 7,5 p. 100 pour le polyuréthane. La plupart des régies qui sont importées proviennent du Canada, et sont soumises à des droits de 15 p. 100. Les autres matières premières sont celles qui sont importées par les régies aux textiles, les chaussures sont aux vêtements et aux textiles, les chaussures sont imposées diverses restrictions sur les importations de chaussures. Quant à la CEE, elle n'impose des quotas que sur les importations provenant des pays avec la Corée du Sud et Taiwan, et la France, avec Taiwan. En outre, certains pays de la CEE limitent les importations de chaussures de stylet en aux Etats-Unis, bien que la part des importations qui appliquent des normes sévères dans ce domaine. En vertu de l'accord de libre-échange entre le Canada et les Etats-Unis, les tarifs touchant la chaussure seront éliminés sur 10 ans, et ceux de la chaussure de la chaussure ne profite actuellement d'aucune mesure de protection, si ce n'est une campagne de publicité visant à encourager l'achat de produits américains.

Le Canada et les Etats-Unis, les tarifs touchant la chaussure de la chaussure ne profite actuellement d'aucune mesure de protection, si ce n'est une campagne de publicité visant à encourager l'achat de produits américains.

**Sur 5 ans.**



L'industrie canadienne de la chaussure se caractérise par la présence d'un grand nombre de entreprises familiales installées pour la plupart dans 2 provinces et servant un marché intérieur très étendu. En mettant l'accent sur des chaussures précises et en s'appuyant sur des boutiques familiales gérées par leurs propriétaires, leur connaissance du marché intérieur, le développement et leur connaissance du marché extérieur, ces entreprises ont pu conserver leur part de marché. Toutefois, en raison de leur faible taille, elles ne peuvent pas développer suffisamment pour réaliser les économies d'échelle nécessaires afin de concurrencer avec efficacité les pays disposant de main-d'œuvre bon marché.

## Facteurs structurels

Pendant de nombreuses années, le Canada a exporté de 6 à 7 p. 100 de sa production de chaussures (exprimée en nombre de paires), principalement aux Etats-Unis. Toutefois, les exportations de chaussures canadiennes sur le marché américain ont à peine augmenté ces dernières années, en raison notamment des fluctuations du taux de change, surtout depuis 1984. D'autre part, les exportations canadiennes aux services étrangères. Les variations des taux de change influencent grandement sur les plans de commerce international à long terme de ce secteur.

Just au en 1987, cette industrie canadienne a joué un excédent dans ses échanges avec les Etats-Unis, soit quelque 6 millions de dollars en 1986. Cet excédent décolleut de facteurs tels que le taux de change, les quotas imposés sur les importations de chaussures depuis 1977 et la réputation de qualité de certains types de chaussures canadiennes, entre autres, les bottes d'hiver. En 1987, toutefois, le Canada enregistrait un déficit commercial de plus de 8 millions de dollars avec les Etats-Unis dans ce domaine, revirement attribuable en grande partie à une augmentation sensiblement des importations de chaussures de sport fabriquées aux Etats-Unis, article dont la production canadienne est insuffisante.

à la limite leurs exportations au Canada. Cependant, Taiwan, la République populaire chinoise et la Corée du Sud ont augmenté leurs exportations de chaussures en cuir, particulièrement de chaussures de sport, et ce, depuis l'élimination, le 30 novembre 1985, des quotas touchant toutes les chaussures, sauf celles pour dames et fillettes. Taiwan et la Corée du Sud ont également augmenté leurs exportations aux États-Unis. Par ailleurs, la part des chaussures en cuir dans l'ensemble du marché a diminué, tandis que les chaussures vendues dans le monde. Ces chaussures sont le résultat majeur de la mondialisation, car lorsqu'un pays industriel passe de la main-d'œuvre moins coûteuse, la part des coûts de main-d'œuvre dans le coût de production augmente.

A la fin des années 1970, les fabricants canadiens de chaussures ont pu poursuivre la ratonalisation qu'ils avaient amorcée en 1974. Ils ont amélioré progressivement leurs gammes de produits en reduisant leur production de sandales et de chaussures de sport en matière d'autres que le cuir, articles qui concurrencaient les importations à bas prix, et en se spécialisant dans la conféction de chaussures de ville et de chaussures de sport en cuir à la mode et de meilleure qualité. Ce faisant, ils ont diminué la part des coûts de main-d'œuvre dans le coût total du produit, malgré le surcroît de travail requis en raison de la valeur plus élevée du produit.

Par suite de cette rationalisation, le nombre d'employés s'est stabilisé, s'établissant à 15 588 en moyenne de 1978 à 1985, le niveau le plus bas, 14 400, ayant été enregistré pendant la récession de 1982. En 1985, ce nombre était estimé à 15 800, mais l'année suivante, il diminuait par suite de l'élimination partielle des quotas ayant pris effet en novembre 1985; cette mesure a entraîné une hausse de 34 p. 100 des importations provenant de pays disposant de nouvelles importations de chaussures. La plupart des nouvelles importations proviennent de pays disposant de quotas d'exportations établis en 1987, en raison des conséquences que le Canada, soucieux d'aider son industrie à adapter sans heurts à l'élimination des quotas, a menées avec succès la révision des exportations est tombé à 17 p. 100 des processus de chaussures des exportations totales de 42 p. 100, en volume, de 1985 à 1986. Le taux de croissance des exportations a été de 17 p. 100 en 1987, en 1988, et de 17 p. 100 en 1989.

De 1974 à 1977, cette industrie canadienne a affiché un ratio bénéfices après impôts/capital investi de 6,1 p. 100, taxe inférieure à la moyenne observée pour l'ensemble du secteur de la fabrication, soit 8,3 p. 100. Par la suite, en raison des quotas imposés sur les chaussures en 1977, elle a enregistré un ratio de 11,1 p. 100 en moyenne, contre 7,3 p. 100 pour l'ensemble du secteur de la fabrication. En 1984, ce ratio était de nouveau inférieur à la moyenne du secteur de la fabrication, soit 5,5 p. 100 du marché canadien et 1977, les importations se montaient à 46,4 millions de paires, soit 55,5 p. 100 du marché canadien et une augmentation de 6,5 millions, ou 16 p. 100, par rapport à 1973. Au cours de la même année, une appuyant sur un jugement du Tribunal anti-dumping deviennent depuis le Tribunal canadien des importations, le gouvernement canadien imposait, pour 3 ans, un quota sur les importations de toutes sortes de chaussures étrangères en concurrence avec les chaussures sortes en chaussures sur les de main-d'œuvre moins élevés. Ces quotas sur les chaussures sont restés en vigueur sous une forme éliminée en juin 1985, à l'exception de ceux appliquant aux chaussures pour dames et femmes, qui ont expiré en novembre 1988.

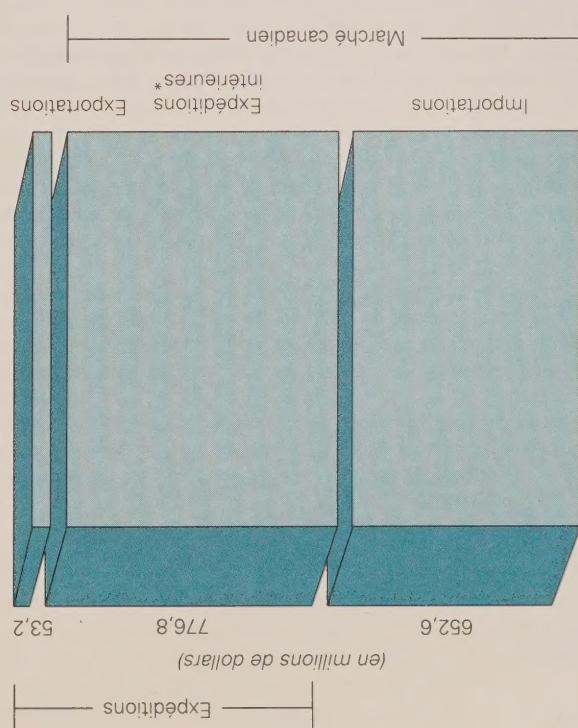
Parmi les entreprises canadiennes de mode, l'envergure qui exerce des activités hors du Canada, possède des magasins dans le monde entier, ainsi que Kaufman Footwear, Susan Shoe Industries Limited, Bastien Inc. et Genfoot Inc., qui sont bien établies aux Etats-Unis. En raison du coût peu élevé de la technologie de base et de la possibilité de louer un matériel le plus onéreux, il est très facile de se retrouver dans la confection de chaussures ou de toujours tourner de 65 à 75 p. 100 de sa capacité, produit surtout des chaussures de ville et des chaussures sport en cuir. Sur le marché intérieur, les principaux concurrents sont l'Italie, l'Espagne, les Etats-Unis et le Brésil, pays qui ont fourni au Canada 10,3 millions de paires de chaussures en 1987, soit 67 p. 100 de ses importations.

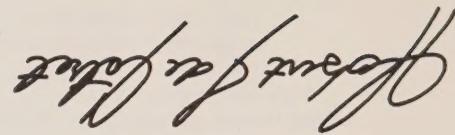
Les fabricants de chaussures sont les principaux clients de l'industrie canadienne du tannage, dont ils absorbent 60 p. 100 de la production en valeur, et des fabricants de fournitures pour chaussures, soit 220 personnes et autres à l'industrie textile. L'industrie du tannage emploie quelque 200 personnes dans une cellule des fournitures pour chaussures, environ 1 000.

L'industrie canadienne de la chaussure est axée sur le marché intérieur. Ses clients sont les petits magasins de chaussure, les grands magasins, les magasins à succursales multiples ainsi que les magasins spécialisés de chaussures. Les petits magasins achètent une grande proportion de chaussures faites au Canada que les grands distributeurs. La plupart des entreprises canadiennes sont ni très présentes ni très connues sur les marchés internationaux. Cependant, la société Bata, multinationale canadienne, est le plus grand producteur de chaussures au monde, employant 79 000 personnes, dont 800 au Canada, et exploitant 97 usines et 6 000 magasins de détail dans 91 pays.

### \* *Estimations.*

1922, *Impressionism, Symbolism et Expressionisme* (Paris).





\* Recensement annuel de l'industrie de la chaussure — Classification type des industries (CTI 1712) — publié par Statistique Canada.

également aux États-Unis et dans d'autres pays retrouvé préférances des consommateurs. Ce genre d'intégration verticale se retrouve dans leur permet de faire connaître leurs marques et de se tenir au courant des trois dernières années. Trois d'entre elles, de même qu'un certain nombre d'entreprises canadiennes, dont Bata Industries Limited, exploitent des magasins de détail au Canada, ce qui leur permet de faire connaître leurs marques et de se tenir au courant des dernières années. Finalement, environ 95, et fournissent quelque 10 p. 100 des emplois de cette industrie. Au Canada, parmi les entreprises de chaussures, 4 appartiennent à des intérêts étrangers, soit 3 p. 100. Ces sociétés, dont

matières autres que le cuir pour le marché mondial. Au Canada, parmi les entreprises de chaussures, supplémentaires en se spécialisant dans la fabrication de 1 ou 2 produits en établissements, particulièrement en Extrême-Orient, réalisent des économies à celle de leurs concurrents des autres pays. Quelques très grands nivau considère comme le seuil de rentabilité, ont une envergure comparable à celle de 100 employés), 24 p. 100. Les usines emploient au moins 150 personnes, représentant 28 p. 100 de l'emploi total des 116 entreprises restantes (moins de 100 employés). Les 33 entreprises moyennes (de 100 à 199 employés) de l'emploi, proportion qui a augmenté en 1986 et en 1987 à la suite d'acquisitions. Les 33 entreprises moyennes (de 100 à 199 employés) de la chaussure pour la vente et la distribution.

En 1985, selon les données de Statistique Canada\*, les 20 premières entreprises de ce secteur (200 employés ou plus) fournissaient 48 p. 100 de la chaussure pour la vente et la distribution. La fabrication des chaussures comprend les étapes suivantes : taille des pièces de l'empeigne et de la semelle extérieure à la semelle intérieure, assemblage ou couture de ces pièces. La fabrication des chaussures comprend les étapes suivantes : taille des pièces de l'empeigne et de la semelle extérieure à la semelle intérieure, fixation de la semelle extérieure à l'empeigne, piedrage ou moulage et, enfin, préparation de la chaussure pour la vente et la distribution.

En 1986, cette industrie regroupe 165 établissements qui ont employé 14 300 personnes et expédié pour 830 millions de dollars de marchandises. Ces 2 provinces regroupaient 8 300 et 5 600 des employés. L'Ontario comptait 48 p. 100 des établissements et le Québec, 39 p. 100. Les exportations, 53 millions, sont allées surtout aux États-Unis. Les importations, 653 millions, proviennent d'Asie, 42 p. 100, et de la CEE, 39 p. 100.

En 1986, cette industrie regroupe 165 établissements qui ont employé 14 300 personnes et offre sur le marché mondial, mais elle se spécialise dans les bottes et les souliers à empeigne de cuir pour hommes, dames et enfants, de prix moyen élevé. L'industrie canadienne de la chaussure fabrique tous les types de chaussures offerts sur le marché mondial, mais elle se spécialise dans les bottes et les souliers à empeigne de cuir pour hommes, dames et enfants, de prix moyen élevé.

## Structure

### 1. Structure et rendement

1988

## CHAUSSEUR

## DE L'INDUSTRIE

P R O F I L

AVANT-PROPOS



Cette série est publiée au moment même où des dispositions sont prises pour créer le ministère de l'Industrie, des Sciences et de l'Énergie, fusion du ministère de l'Industrie, des Sciences et de l'Énergie avec le ministère de l'Industrie, fusion industrielles et régionales. Ces documents décrivent les principales réalisations industrielles, les évaluations sommaires de la compétitivité de certains secteurs industriels. Ces évaluations tiennent compte de facteurs clés, dont l'accord de libre-échange, l'adoption de normes techniques de l'application des technologies de pointe, et des changements qui surviendront dans le cadre de la réglementation avec les secteurs industriels visés. Ces profils ont été préparés en étroite collaboration avec les secteurs régional et du ministère de l'Industrie, des Sciences et de l'Énergie. Ces documents ont été élaborés au moment où les secteurs régional et du ministère de l'Industrie, des Sciences et de l'Énergie fusionnent et sont destinés à leur nouveau ministère. Je souhaite féliciter nos partenaires du secteur privé qui ont joué un rôle majeur dans l'élaboration de la nouvelle réglementation et de la nouvelle industrie. Ces documents sont destinés à servir l'industrie et à promouvoir la croissance et l'innovation dans le secteur manufacturier et les services. Ils décrivent les défis et les opportunités qui sont devant nous et nous invitent à nous engager dans la construction d'un avenir meilleur pour tous les Canadiens.

# Bureaux

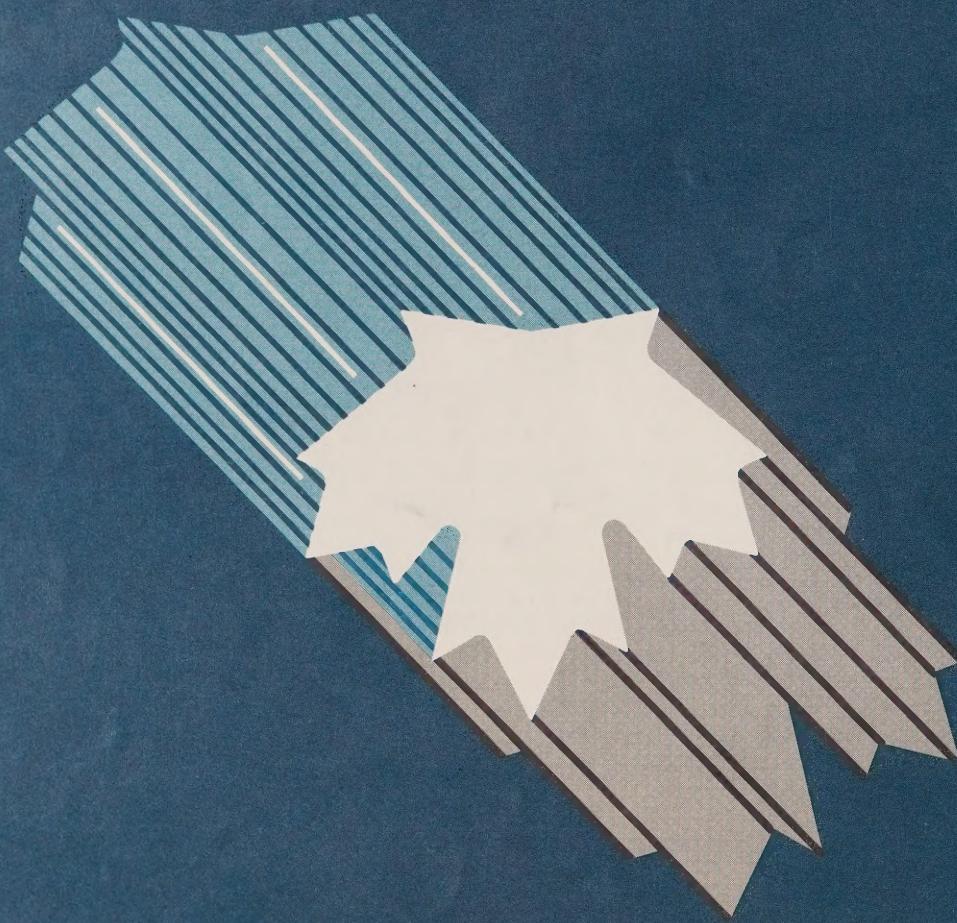
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Canada

# Chaussure

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